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Attorneys for Lehman Brothers Holdings Inc.
and Certain of its Affiliates

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
-----X	

**NOTICE REGARDING SEVENTH DISTRIBUTION PURSUANT TO
THE MODIFIED THIRD AMENDED JOINT CHAPTER 11 PLAN OF
LEHMAN BROTHERS HOLDINGS INC. AND ITS AFFILIATED DEBTORS**

As previously disclosed, additional Distributions under the *Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors*, dated December 5, 2011 [ECF No. 23023] (the "Plan"),¹ will commence on April 2, 2015 (the "Seventh Distribution Date").

Attached hereto as Exhibit A is a list that indicates the percentage recovery that will be distributed to holders of Allowed Claims (other than secured, administrative, priority or convenience claims) against each Debtor in each Class under the Plan as well as the cumulative percentage recovery.

Attached hereto as Exhibit B is a summary of the aggregate amount that will be distributed to holders of Allowed non-priority unsecured Claims on the Seventh Distribution Date.

Attached hereto as Exhibit C is a list that indicates the amount and percentage of the Minimum Cash Reserve and the Asset-to-Reserve Ratio that will be maintained by each Debtor that uses Non-Cash Assets in lieu of Available Cash as reserves for Disputed Claims.

¹ Capitalized terms used herein shall have the meanings ascribed to them in the Plan or the *Order Authorizing Use of Non-Cash Assets In Lieu of Available Cash As Reserves for Disputed Claims Pursuant to Section 8.4 of the Debtors' Confirmed Joint Plan* [ECF No. 25641], as applicable.

The aggregate amount that will be distributed on the Seventh Distribution Date will total approximately \$7.6 billion and will include approximately (i) \$7.1 billion of Distributions identified in Exhibit B, (ii) and \$0.5 billion of Distributions to holders of recently Allowed Claims for amounts that would have been received had such Claims been Allowed at the time of previous Distributions.

Dated: March 26, 2015
New York, New York

/s/ Garrett A. Fail

Garrett A. Fail

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Exhibit A

Exhibit A

Distribution to Holders of Allowed Non-Priority Unsecured Claims

			Distribution as a % of Allowed Claims		
			Prior Distributions ⁽¹⁾	Seventh Distribution on 4/2/2015 ⁽¹⁾	Cumulative Distributions
Lehman Brothers Holdings Inc.					
Class	3	Senior Unsecured	31.555706%	3.182633%	34.738339%
Class	4A	Senior Affiliate Claims	25.261249%	2.593182%	27.854431%
Class	4B	Senior Affiliate Guarantee	24.625767%	2.535449%	27.161216%
Class	5	Senior Third-Party Guarantee	19.703631%	2.029137%	21.732768%
Class	6A	Convenience Claims	26.000000%	N/A	26.000000%
Class	6B	Guarantee Convenience Claims	17.000000%	N/A	17.000000%
Class	7	General Unsecured	29.481462%	3.060722%	32.542184%
Class	8	Derivative Affiliate / Affiliate Guarantee Claims	23.201311%	2.382933%	25.584244%
Class	9A	Third-Party Guarantee Claims other than those of the RACERS Trusts	18.569689%	1.894901%	20.464590%
Class	9B	Third Party Guarantee Derivatives RACER's	11.280264%	1.159495%	12.439759%
Class	10A	Subordinated Class 10A Claims	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
Class	10B	Subordinated Class 10B Claims	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
Class	10C	Subordinated Class 10C Claims	N/A ⁽²⁾	N/A ⁽²⁾	N/A ⁽²⁾
Lehman Commercial Paper Inc.					
Class	3	Convenience Claims	60.000000%	N/A	60.000000%
Class	4A	General Unsecured Claims other than those of Designated Entities	65.617902%	2.565638%	68.183540%
Class	4B	General Unsecured Claims of Designated Entities	55.204559%	2.386640%	57.591199%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	68.277502%	2.983300%	71.260802%
Class	5B	Affiliate Claims of Participating Subs	55.204559%	2.386640%	57.591199%
Class	5C	Affiliate claims	59.344899%	2.565638%	61.910537%
Lehman Brothers Special Financing Inc.					
Class	3	Convenience Claims	32.000000%	N/A	32.000000%
Class	4A	General Unsecured Claims other than those of Designated Entities	32.695752%	1.233503%	33.929255%
Class	4B	General Unsecured Claims of Designated Entities	16.715211%	0.631686%	17.346897%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	33.700354%	1.298208%	34.998562%
Class	5B	Affiliate Claims of Participating Subs	27.481772%	1.038566%	28.520338%
Class	5C	Affiliate claims	32.291081%	1.220315%	33.511396%
Lehman Brothers Commodity Services Inc.					
Class	3	Convenience Claims	55.000000%	N/A	55.000000%
Class	4	General Unsecured Claims	71.873287%	3.747105%	75.620392%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	83.573588%	4.357099%	87.930687%
Class	5B	Affiliate Claims of Participating Subs	N/A	N/A	N/A
Class	5C	Affiliate claims	71.873287%	3.747105%	75.620392%
Lehman Brothers OTC Derivatives Inc.					
Class	3	Convenience Claims	34.000000%	N/A	34.000000%
Class	4	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	100.000000%	N/A	100.000000%
Class	5B	Affiliate Claims of Participating Subs	100.000000%	N/A	100.000000%
Class	5C	Affiliate claims	100.000000%	N/A	100.000000%
Lehman Brothers Commercial Corporation					
Class	3	Convenience Claims	40.000000%	N/A	40.000000%
Class	4	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	5A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	5B	Affiliate Claims of Participating Subs	90.138913%	9.861087%	100.000000%
Class	5C	Affiliate claims	100.000000%	N/A	100.000000%
Lehman Brothers Derivative Products Inc.					
Class	3	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate claims	100.000000%	N/A	100.000000%

Exhibit A

Distribution to Holders of Allowed Non-Priority Unsecured Claims

			Distribution as a % of Allowed Claims		
			Prior Distributions ⁽¹⁾	Seventh Distribution on 4/2/2015 ⁽¹⁾	Cumulative Distributions
Lehman Brothers Financial Products Inc.					
Class	3	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	100.000000%	N/A	100.000000%
Class	4B	Affiliate claims	100.000000%	N/A	100.000000%
LB 745 LLC					
Class	3	General Unsecured Claims	100.000000%	N/A	100.000000%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	100.000000%	N/A	100.000000%
Class	4B	Affiliate claims	N/A	N/A	N/A
PAMI Statler Arms LLC					
Class	3	General Unsecured Claims	47.254213%	N/A	47.254213%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	100.000000%	N/A	100.000000%
Class	4B	Affiliate claims	N/A	N/A	N/A
CES Aviation LLC					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	83.467015%	N/A	83.467015%
Class	4B	Affiliate claims	83.467015%	N/A	83.467015%
CES Aviation V LLC					
Class	3	General Unsecured Claims	30.265412%	N/A	30.265412%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	30.265412%	N/A	30.265412%
Class	4B	Affiliate claims	30.265412%	N/A	30.265412%
CES Aviation IX LLC					
Class	3	General Unsecured Claims	45.816914%	N/A	45.816914%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	45.816914%	N/A	45.816914%
Class	4B	Affiliate claims	45.816914%	N/A	45.816914%
East Dover Limited ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	7.661660%	N/A	7.661660%
Class	4B	Affiliate claims	N/A	N/A	N/A
Lehman Scottish Finance LP					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate claims	N/A	N/A	N/A
Luxembourg Residential Properties Loan Finance S.a.r.l. ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate claims	70.869927%	N/A	70.869927%
BNC Mortgage LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate claims	N/A	N/A	N/A
LB Rose Ranch LLC ⁽⁴⁾					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate claims	N/A	N/A	N/A

Exhibit A
Distribution to Holders of Allowed Non-Priority Unsecured Claims

			Distribution as a % of Allowed Claims		
			Prior Distributions ⁽¹⁾	Seventh Distribution on 4/2/2015 ⁽¹⁾	Cumulative Distributions
Structured Asset Securities Corporation					
Class	3	General Unsecured Claims	48.749298%	2.114474%	50.863772%
Class	4A	Affiliate Claims of LBHI ⁽³⁾	48.749298%	2.114474%	50.863772%
Class	4B	Affiliate claims	48.749298%	2.114474%	50.863772%
LB 2080 Kalakaua Owners LLC					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate claims	N/A	N/A	N/A
Merit LLC					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate claims	16.775838%	N/A	16.775838%
LB Somerset LLC					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate claims	N/A	N/A	N/A
LB Preferred Somerset LLC					
Class	3	General Unsecured Claims	N/A	N/A	N/A
Class	4A	Affiliate Claims of LBHI ⁽³⁾	N/A	N/A	N/A
Class	4B	Affiliate claims	N/A	N/A	N/A

Notes:

⁽¹⁾ "N/A" indicates either \$0 available cash for Distributions, \$0 in Allowed Claims within the specific class or, with respect to the second through seventh Distributions, classes that were satisfied in the previous Distributions

⁽²⁾ Distributions reallocated in accordance with Section 6.4 of the Plan

⁽³⁾ In accordance with sections 6.5 (b) and 6.5 (c) of the Plan, LBHI is participating in Distributions in the amount and to the extent set forth on Page 4 of the Debtor's Claims Schedule, as amended

⁽⁴⁾ In accordance with section 8.3 of the plan, Debtors are not required to make Distributions of less than \$10 million in the aggregate

Exhibit B

Exhibit B

Summary of Seventh Distribution to Non-Priority Unsecured Claims (April 2, 2015)

\$ in millions

	Cash Available for Distribution						Claims ⁽⁵⁾			Distribution		
	Initial Cash Available for Distribution	Cash Available from Distributions from Other Debtors and Certain Non-Debtors ⁽²⁾	Redistribution from Claims Reserves ⁽³⁾	Plan Adjustments ⁽⁴⁾	Catch-Up and Interest on Newly Allowed	Total Cash Available for Seventh Distribution	Allowed ⁽⁶⁾	Disputed ⁽⁷⁾	Total	Cash Available for Distribution	Cash Released from / (Added to) Claims Reserves	Payment to Allowed Creditors
Debtors ⁽¹⁾												
Lehman Brothers Holdings Inc.	\$ 4,393.5	\$ 1,302.4	\$ 107.1	\$ 118.2	\$ (434.6)	\$ 5,486.6	\$ 235,337.0	\$ 20,205.5	\$ 255,542.6	\$ 5,486.6	\$ 260.5	\$ 5,747.1
Lehman Commercial Paper Inc.	\$ 586.0	\$ 182.0	\$ -	\$ (59.5)	\$ (0.0)	\$ 708.5	\$ 25,727.3	\$ 66.2	\$ 25,793.5	\$ 708.5	\$ (0.5)	\$ 708.1
Lehman Brothers Special Financing Inc.	\$ 267.5	\$ 74.5	\$ 2.3	\$ (29.5)	\$ (88.7)	\$ 226.2	\$ 37,226.5	\$ 6,165.8	\$ 43,392.3	\$ 226.2	\$ 230.0	\$ 456.2
Lehman Brothers Commodity Services Inc.	\$ 116.4	\$ 7.5	\$ 12.1	\$ (12.8)	\$ (0.1)	\$ 123.2	\$ 3,030.1	\$ 89.5	\$ 3,119.6	\$ 123.2	\$ (3.9)	\$ 119.3
Lehman Brothers Commercial Corporation	\$ 68.1	\$ 0.6	\$ 9.0	\$ (14.1)	\$ (0.1)	\$ 63.4	\$ 1,284.6	\$ 176.9	\$ 1,461.5	\$ 63.4	\$ (7.0)	\$ 56.4
Structured Asset Securities Corporation	\$ -	\$ 15.4	\$ 0.0	\$ -	\$ (0.0)	\$ 15.4	\$ 470.9	\$ 259.6	\$ 730.5	\$ 15.4	\$ (5.5)	\$ 10.0
						\$ 6,623.3				\$ 6,623.3	\$ 473.6	\$ 7,096.9

Notes:

⁽¹⁾ Includes all Debtors making a Distribution on the Seventh Distribution Date. Other Debtors not listed will not be making Distributions to non -priority unsecured creditors on this date.

⁽²⁾ Includes payments from/to Debtors and other Debtors and certain Debtor Controlled and Non-Controlled Entities (LBT, LBS, UK Financing) calculated to maximize Distributions to all creditors.

⁽³⁾ Represents amounts that were reserved at the previous Distributions that are now available for Distribution as Disputed Claims have been reduced, withdrawn or allowed at amounts less than previously reserved.

⁽⁴⁾ Plan Adjustment is calculated based on payment of Allowed Claims including Distributions on newly Allowed Claims. It is not calculated on the Disputed Claims Reserve.

⁽⁵⁾ Does not include Convenience Claims.

⁽⁶⁾ In accordance with sections 6.5 (b) and 6.5 (c) of the Plan, LBHI is participating in Distributions in the amount and to the extent set forth on Page 4 of the Debtor's Claims Schedule, as amended.

⁽⁷⁾ Estimate of Disputed Claims for reserve purposes only. Certain Claims have been estimated at less than filed amounts as agreed to through a stipulation or settlement agreement or pursuant to Court order. Does not include estimates for unliquidated Claims.

Exhibit C

Minimum Cash Reserve and Asset-to-Reserve Ratios for Seventh Distribution (April 2, 2015)

\$ in millions

Description	Lehman Brothers Holdings Inc.	Lehman Commercial Paper Inc.	Lehman Brothers Special Financing Inc.
Assets			
Financial Inventory as of 12/31/14 ⁽¹⁾	\$ 185	\$ 524	\$ 343
Subsequent Collections ⁽²⁾	(56)	(18)	(86)
Receivables & Other Assets ⁽³⁾	227	3	39
Investment in Affiliates ⁽⁴⁾	756	495	-
Receivables from Controlled Affiliates ⁽⁵⁾	4,149	911	157
Receivables from Non-Controlled Affiliates ⁽⁶⁾	5,031	23	94
Pledged Assets ⁽⁷⁾	(640)	(100)	-
Total Assets	\$ 9,651	\$ 1,838	\$ 545

Required Claims Reserve

% of Cash Reserves for Disputed Claims	25%	25%	92%
Reserve for Disputed Claims	\$ 5,580	\$ 52	\$ 2,224
Less: Plan Adjustments & Plan Settlement Reserves ⁽⁸⁾	(410)	(4)	(26)
Reserve Available to All Classes	5,170	48	2,198
Less: Minimum Cash Reserve ⁽⁹⁾	(1,310)	(12)	(2,016)
Net Asset Requirement	\$ 3,860	\$ 36	\$ 182
Total Asset-to-Reserve Ratio	2.5x	51.4x	3.0x

Notes:

- ⁽¹⁾ As reflected in the December 31, 2014 Balance Sheets filed with the Bankruptcy Court on March 26, 2015.
- ⁽²⁾ Reflects significant cash receipts related to the monetization of financial inventory through April 2, 2015.
- ⁽³⁾ Reflects amounts included in the Balance Sheets as third party receivables in the caption "Receivables from Controlled Affiliates and Other Assets" as of December 31, 2014, net of significant cash collections through April 2, 2015.
- ⁽⁴⁾ Includes estimated recoveries from Investments in Controlled Affiliates reflected in the Post-Sixth Distribution Cash Flow Estimates adjusted for significant cash activity through April 2, 2014.
- ⁽⁵⁾ Includes estimated recoveries (i) from pre-petition intercompany receivables as presented in the Post-Sixth Distribution Cash Flow Estimates reduced for (a) significant cash activity through April 2, 2015; and (b) estimated recoveries related to LB Re Financing No. 1 and other Controlled Affiliates; and (ii) post-petition intercompany receivables as presented in the December 31, 2014 Balance Sheets in the caption "Receivables from Controlled Affiliates and Other Assets" adjusted for cash activity through April 2, 2015.
- ⁽⁶⁾ Includes estimated recoveries from Non-Controlled Affiliates per the Interim Update to the Post-Sixth Distribution Cash Flow Estimates (please refer to the December 31, 2014 Balance Sheets) reduced by (i) collections through April 2, 2015 and (ii) estimated recoveries where LBHI has offsetting or partially offsetting payables and receivables from certain Non-Controlled Affiliates (LBT, LBS, and UK Financing Limited).
- ⁽⁷⁾ Certain assets have been pledged as collateral for an intercompany loan and therefore are not used in the calculation of Asset to Reserve Ratios ((i) LBHI with LOTC for \$605 million and LBHI with LBCC for \$35 million; and (ii) LCPI with LBFP for \$100 million).
- ⁽⁸⁾ Includes only portion of Plan Adjustments and Plan Settlement amounts reserved for Disputed Claims.
- ⁽⁹⁾ As authorized by the Court, a portion of LBSF's minimum cash reserve has been invested in secured notes issued by LBHI. See ECF No. 46276.

This schedule is not meant to be relied upon as a complete description of the Company, its business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. This report was produced for the sole purpose of calculating the Minimum Cash Reserve and Asset-to-Reserve Ratios for the Seventh Distribution. The report should be read in conjunction with previously filed reports by the Company, including the December 31, 2014 Balance Sheets, Notes and Supplemental Schedules, Post-Sixth Distribution Cash Flow Estimates, Form 8-K reports, the Plan and related Disclosure Statement.